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The war on the
wage-earner

Chicago

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The War on the Wage-Earner.

WORDS OF WISDOM FOR EMPLOYES
TO THINK OVER.

FROM
THE RAILWAY AGE
CHICAGO.

1400 ?

TO THE WAGE-EARNER.

In collecting these few opinions from men who are large employers of labor, The Railway Age does it to appeal to the intelligent employe. Some employes of corporations there are who think that if the president of the company says one thing, they must necessarily take the other side. To these men we have nothing to say. We talk only to those who have the strength and the manhood to reason for themselves. To them we say this:

These presidents and managers who say what is printed here are, in the first place, no fools. You will concede that. They are united in saying that free silver would ruin their properties. They ought to know. They can certainly have no other interest than to help to save those properties.

The question for you to settle is whether your interests in this crisis are the same as theirs or whether you wish to see the railways bankrupt, factories shut down and life insurance companies paying only half their policies. Which way is going to be best for you? In which way are you most likely to have good work and good wages? In which way are your wages going to buy you the most comfort—when paid in honest dollars or in dollars worth 50 cents apiece?

Reason the thing out for yourselves.

The Only Hope.

M. E. Ingalls, president of the C. C. C. & St. L. Ry., says: "Much as I regret it, I shall support McKinley, for I believe in his election lies the only hope of the future of this country."

Mr. Ingalls is one of the leading democrats of Ohio, and was talked of as a possible presidential nominee—but that was before the party adopted a free silver platform.

Voting for a Reduction in Wages.

O. D. Ashley, president of the Wabash railroad, says:

It would be difficult to determine in advance, with any precision, what would be the effect of the free coinage of silver on the basis of 16 to 1, on the railway interests of the United States, but that it would be very disastrous to the companies and to their employes is too obvious to require extended argument.

Nearly all railway mortgages are payable, principal and interest, in gold by the express terms of the mortgages. The aggregate amount of such mortgages is not far from \$5,000,000,000, bearing an average interest of at least 5 per cent. Now, as the free coinage of silver, as proposed, would banish gold from circulation and convert it into a commodity, whatever premium it would bring in silver would be added to the obligations of the railway companies. I think it would be an underestimate to fix this premium at 50 per cent within a year. The interest on railway mortgages would, therefore, be increased in silver from \$250,000,000 per annum to \$375,000,000 per annum, growing in amount according to the market value of gold expressed in silver.

The only way the railway companies could meet this would be in advancing the rates of transportation to correspond with the advance in gold. If this advance should be resisted by the people, as doubtless it would be, the only alternative would be a reduction in operating expenses, and this last could only be effected by reducing the wages of employes, or by curtailing their numbers. There is no escape from such conclusions, unless railway companies seek relief in repudiation or bankruptcy.

Under such conditions, railway construction must necessarily cease. No bonds could be negotiated on a silver basis, and enterprise in that direction would be impossible.

It would be hardly possible to devise a scheme more directly calculated to injure railway property and the interests of its employes than this "free silver" madness. Every railway employe who votes for this proposition will, practically, vote for a reduction in his own wages, or for turning himself out of work. Nothing more idiotic has ever been proposed to intelligent men, and I cannot believe any railway employe will be led to such a suicidal course.

But railway employes are not the only class who will suffer from "free silver." If railway property is to be ruined, what is to become of the savings of many thousands of people who have their money invested in railway bonds?

I have too much faith in the common sense of the people, and too much faith in their honesty and patriotism to believe for a moment that they will support a platform which, if established, will plunge the country into a chaos of anarchy and ruin.

The proposition to admit silver to free coinage at a valuation which says that 412½ grains of silver shall be received

by labor at the equivalent of one dollar in gold, is simply saying to the workman, you must take fifty-three cents for labor which, heretofore, we have paid one dollar for. I will not insult railway employes by admitting the possibility of their voting for such a crazy proposition.

Cutting Wages in Two.

James J. Hill, president of the Great Northern railway, says: "I think that the party which ties itself, through its candidate or platform, to the free coinage of silver, will be hopelessly snowed under at election. Take, for instance, men who are earning salaries; free coinage would be equal to cutting their wages in two. I was talking to some railroad engineers and conductors the other evening. Now, these engineers get \$4 a day. Does any sane man suppose that through free coinage they would get \$8, or even \$4.50 a day? Some of these men said that they did not expect to get more wages, but they did want them paid in good money. I think that conviction is taking possession of all the wage-earners in the country. The idea of the United States undertaking the free coinage of silver without the aid of other nations will be hopelessly lead by November, because the real interest of the silver men could suffer no more serious a setback than free coinage by the United States, for the reason that it would meet with certain failure and would be pointed at by the enemies of silver to illustrate their claim that the metal is no longer necessary as money. If the United States should adopt free coinage, I am unable to see wherein we would differ from the position of Mexico, where wages are 25 cents a day and are paid in silver dollar containing more silver than those of the United States, notwithstanding the fact that you can buy the Mexican dollars in their own country for fifty cents each, payable in United States silver dollars as long as our silver is maintained on a parity with gold."

The Burden On the Wage-Earner.

T. P. Fowler, president of the New York Ontario & Western railway, says: "A premium on gold that would result from free silver would oblige a large proportion of the railways of the country to either default in the payment of interest on bonds, or repudiate payment in gold. Either course would mean bankruptcy and ruin. The largest number of security holders are people of small means, who would certainly be losers. The enforcement of silver upon railroad corporations would mean that wages must be reduced and expenditures curtailed, and that every obligation not expressly payable in gold should be paid in silver. The burden would certainly fall on the small and needy investor and on the wage-earner. During the ten years that I have been president of this company I have never attempted to control the political preferences of any employe, but at this time the situation demands that all of us who are employes of the Ontario & Western company should stand loyally by those whom we represent, and serve."

What You Purchase Will Cost More.

John K. Cowen, president of the Baltimore & Ohio railroad,

says: "In this fight against dishonest money there are arrayed,

three influential classes, who are pecuniarily concerned in upholding integrity and good faith. There is, first, the quiet and thrifty savings bank depositor, who is laying aside a portion of his earnings. In Maryland such depositors number about 148,000, with over \$45,000,000 to their credit in savings banks. The wage-earner is the second and holders of insurance policies, including all members of beneficial organizations, compose the third. These classes are intelligent. They discuss public questions and respond quickly when their interests are endangered.

"The savings bank depositor will understand that his little pile, laid aside for a rainy day, is to be handed over to him with just one-half of the purchasing value it possessed. Where he deposited a 100-cent dollar he is to be returned a 50-cent dollar.

"Free silver men say that such a standard means high prices for products. The wage-earner is, therefore, promised that what he has to purchase will cost more. He is also told that his earnings will increase. Every wage-earner knows how hard it is to secure an increase in his wages.

"As to such an increase take, for example, the Baltimore & Ohio railroad. All of its obligations must be paid in gold. It would be compelled to make its collections in silver. The doubling of transportation charges is out of the question and instead of being able to increase the salaries of its 25,000 employes the property would be plunged deeper into bankruptcy.

"Behind the vested interests in railroad companies and other large employers are thousands of wage-earners. There are a million men alone employed in the steam railroad service of the country. The obligations of these corporations must be met in gold. In this fight capitalists and wage-earners have a common interest. A thorough and earnest discussion of the question will be made, and these two classes will be united in defense of the national honor and their own interests.

"A large force of men are employed by the street railway companies of Baltimore. These concerns cannot increase the rate of fare because it is fixed by law. The earning capacity of the property remains stationary, yet the employes are asked to believe that their salaries will be about doubled, along with a similar advance in the cost of products.

"The prudent man, who insures his life for the protection of his family, finds that after years of good faith in paying premiums the purchasing value of his policy is to be cut in half. Members of the great fraternal and beneficial organizations discover that, in the event of sickness, their weekly benefits are to have only one-half of the purchasing power which they agreed to take, although they have honorably lived up to the principles of their organizations.

"The campaign will make plain these conditions and there is no uncertainty as to the result."

Lose Half Your Life Insurance.

President Greene of the Connecticut Mutual Life Insurance company wrote a letter recently in which he said that if a free coinage law were passed the holders of life insurance policies would suffer, because the companies "could" pay the claims against them in depreciated silver.

A policy holder thereupon wrote a letter to the president of the company, in which he stated it was morally bound to pay all policies in dollars equal in value to those paid as premiums and in circulation when the insurance contract was made.

In reply the president explains that an insurance company not only "could" pay claims in depreciated silver in the event of free coinage, but that they will have to do so, for they will have nothing else to pay in. When free and unlimited coinage is permitted, he states, the gold dollar will go. The legal tender silver dollar and the greenback will remain, but they will no longer be kept at par with gold:—

"We shall be compelled to take them as dollars on the payment of our loans and investments and the interest thereon, and from our policy holders as premiums. They will be just as effective for the legal discharge of these various contract obligations as if they were worth 100 cents apiece, and we cannot help taking them, and what we have to take for our legal dollar our policy holders will have to take for a legal dollar. We can no more protect ourselves against it than we can protect ourselves against the act of God. We have no way of changing its value any more than you have. If that is repudiation, then you will repudiate your grocer's bill and every other obligation which you may have incurred before we dropped to a silver basis, and which you will pay with depreciated but still legal tender dollars, because you won't have any other, unless you have hoarded gold coin to pay your prior bills with."

* *

Panic and No Work for Men.

Frank A. Peavy, manager of the Port Huron thrasher and engine works, feels that an injustice has been done him in the reports sent out regarding placards which are posted at the office and about the works of that company. He says he has given the financial question careful study, and has arrived at certain conclusions. These conclusions he believes every employee of the company should know, and therefore the following painted signs, some of them 3x5 feet in size, have been posted upon the company's premises:

"Bryan and silver experiment (16 to 1) means worse panic than in 1893; probably ruin to this company, consequently no work for men."

"McKinley and the present gold standard mean to us good credit and good orders for this company, and plenty of work for the men."

"Bryan stands for free trade and the money use of silver alone; McKinley stands for protection and the regular money use of both gold and silver."

"Confidence in a man's or a nation's ability to pay, and confidence in a man's or a nation's honest intention to pay, and confidence that money promised will be as good as promised, and confidence in the future are necessary to make business generally good. More confidence, instead of more money, is needed."

Said Mr. Peavy: "I posted these notices after calm consideration of the matter. In our institution we have foremen in the various departments, men who know all about the mechanism of boilers and thrashers. My department is the financial department. I claim to know something about credits. Now, then, if anything goes wrong or threatens to go wrong, in any of these departments it is the duty of such superintendents to notify headquarters. For this reason I have notified the men in our employ of the dangers of free silver. There is no bluff or coercion about it. We have closed our works earlier than usual owing to a lack of orders, and will not resume until after election. I have not urged anyone

to vote for this man or that man. I have only warned the men of what is coming if a certain course is pursued in this country. It is a condition already felt in business centers. Our company can certainly not afford to do business and expend money with free silver agitation, and until that agitation ceases we are forced to close down our works."

It should be stated, in justice to Mr. Peavy, that the best of relations have always existed between the company and its employees, the latter receiving the highest market price for their labor, and the former encouraging the employment of skilled labor at good wages whenever its business would warrant steady employment.

* *

Getting Blood from a Turnip.

The New York Herald is a bitter enemy of the corporations, but this is the way it talks:

The vast army of railway toilers would suffer more hardship than perhaps any other class by unlimited coinage of 53-cent dollars. All wage-earners, of course, would be distressed because all the necessities of life would immediately double in price, while wages would be slow to rise, and would probably never go high enough to make up for the increased cost of living. But the railway worker would find it particularly hard to secure an advance of wages, because his employer, the railway corporation, would itself be so hurt by the change in the currency that it might be unable to comply with the reasonable demand of its employees.

"But why?" asks the brakeman, "why would the railway company not be in as good a position to advance wages as any other employer?" For a very simple reason. The merchant and the manufacturer can instantly mark up the price of their goods to offset the lowered value of the dollar, but you, as a brakeman, have no goods to sell. What you sell is your service, your labor, and you know from experience that this cannot be marked up as a merchant can reticket a piece of cloth. Now, your employer, the railway company, is like yourself, a person—an artificial person, created by law—and, like yourself, it has nothing to sell but its services in transporting passengers and goods.

More than this, it is under control of the state that created it, and cannot, like yourself, quit work if it doesn't like the pay; it is compelled to keep on working or forfeit its existence. With a 53-cent legal tender dollar in circulation, the railway would naturally have to accept its pay in those dollars, and its income would thereby be cut down nearly one-half. But when it attempted to double its charges in order to "even up" the dollar, you know what a tempest of opposition would arise, particularly in agricultural communities, and the legislatures would make the company painfully aware that it is under control of the states it traverses. The railway, like yourself, would find the cost of all its supplies nearly doubled, but it would have to fight for every fraction of a cent in advance in its rates for transportation. When you and your fellow-workers find that the cost of living has doubled you will naturally demand double wages, but how will you get them? You can't get blood out of a turnip.

A vote for Bryan would be a vote to cut your own wages in half, and as you are not a fool we are sure that you and all the rest of the million railway employees will vote for an honest dollar.

You have before you an opportunity such as has rarely been given to any class of men in history—the opportunity to be the controlling influence in saving your country.

There is no state in the union in which, if you vote as a unit, you cannot turn the scale in any ordinary election. In the present crisis it rests with you to oppose a solid front—a bulwark of reason and of patriotism—to the flood of free silver madness which is rising in the western and southern states.

What interest have you in helping those who, blinded and led astray as they are, propose to raid the treasury and bankrupt the nation only to make our mine-owners wealthy?

Certain classes may not care what wreck may come to the country's commerce if only they can get cheap dollars for their products. The miner may be willing to see the United States sink to the rank of a third-class power, bankrupt and dishonored, if only the output of his mines be doubled in value to him.

But what is this to you? Your interests are bound up with the permanence of our commercial prosperity. For your honest work you want—and have a right—to get your pay in honest dollars. What will you profit by a depression in wages and an increase in all that your wages have to buy? Do you want to get your pay in dollars worth fifty cents apiece?

Therefore, organize! This is no question of republican or democrat, but of your own protection as wage-earners. Organize for the preservation of sound money—in defense of your own wages—in support of the country's prosperity and the country's honor!

At every shop and every division point on every railway in the country, there must be a Railway Men's Sound Money club. If you, who read this, are personally willing to take hold of the work of organization in your locality and the work of educating your fellows for their and your own benefit, write to The Railway Age, Chicago. Until the central organization of the Railway Men's Sound Money clubs is perfected, we will send you all the information and literature you require, free.

Let railway men of every class act together. It is as noble a cause as ever man put his hand to. Organize now and work, and when November comes and free silver is defeated, the people will know that the railway men did their part nobly for the country's salvation.

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